DOCUMENT RESUME

ED 157 564 JC 780 391

AUTHOR Stecklein, Helen R.
TITLE An Approach to a Market Research Study at a City Community College.
PUB DATE [78]
NOTE 51p.

EDRS PRICE MF-$0.83 HC-$3.50 Plus Postage.
DESCRIPTORS Adult Education; Community Colleges; *Community Surveys; Cooperative Planning; *Educational Needs; Employee Attitudes; Employer Attitudes; Inplant Programs; Institutional Research; Job Skills; *Junior Colleges; Marketing; Needs Assessment; Performance Based Education; Questionnaires; *School Industry Relationship
IDENTIFIERS *Metropolitan Community College MN

ABSTRACT

As part of an effort to identify the unmet educational needs of the business community surrounding Metropolitan Community College (Minneapolis) and in hopes of better serving that community and increasing college enrollment, students from the University of Minnesota's master's in business administration program designed a study focused on educational practices in local businesses and on developing a marketing plan. Phase I, the only fully completed part of the study, gathered information through management interviews and mailed questionnaires on company sponsored educational programs, why such courses were offered, the level of these courses, identification of instructors and participants, course costs for students, where and when courses were held, how many participated, if courses were required, college credit for the courses, and publicity for the programs. In addition, data on firm size and type and employee benefits were solicited. Phase II was to deal with educational needs and interests specified by employees themselves. A three-part employee questionnaire dealing with awareness of benefits, attitudes towards education and demography was developed and analysis procedures were recommended. Phase III proposed guidelines and tentative recommendations for a marketing plan which included appealing to medium-sized companies (250-5,000 employees), developing credibility in job-related skills and competency training, and establishing communication channels with business. The full report is appended. (TR)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED157564

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Helen R. Stecklein

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

AN APPROACH TO A MARKET RESEARCH STUDY AT A CITY COMMUNITY COLLEGE

BY

HELEN R. STECKLEIN

DEAN OF ADMINISTRATION

METROPOLITAN COMMUNITY COLLEGE

MINNEAPOLIS, MINNESOTA

ON BEHALF OF

LOIS BONDESON
DAVID BRANDT
JOHN REIK
MAUREEN THOMMES

GRADUATE STUDENTS OF
UNIVERSITY OF MINNESOTA

JC 780 391

Metropolitan Community College is one of 18 state supported community colleges in the state of Minnesota. It is one of six serving the metropolitan and suburban area of St. Paul and Minneapolis. Even though the college is thirteen years old, the oldest of the six and the only one located within the city, it is the smallest. It has experienced a declining enrollment for the last five years, (which is not really atypical.)

In preparation for the opening of a new large facility, the college decided to attempt to identify the un-met educational needs of the community surrounding the college in hopes of better serving the community and increasing the college's enrollment. An analysis of the current student body shows the following profile:

1. Recent high school graduates.
2. Adults beginning their college education.
3. Adults up-grading skills or re-tooling (including alumni).
4. Individuals fulfilling professional development requirements (nursing, real estate certification etc.)
5. In service training program for government and industry.
6. Community action groups.
7. Clients of DVR, WIN, AFDC, and prisons, etc.

Most marketing research on groups 1, 2, 3, 6 and 7, although valuable, would not provide information that would have any direct value for recruitment. Although it would provide information about needed services, there are other techniques that can better be used for these groups. The college felt that groups 4 and 5 would be good target populations for market research as they were on-going, large controlled groups

when viewed as to location and needs and in most cases the needs were not being totally met by other institutions.

Although the college is located only 5 blocks from the heart of downtown Minneapolis, no coordinated effort has been made to reach the businesses or their employees. The college has made various efforts but not a carefully developed and implemented plan. At various times, the college has offered courses for the city, county, public school employees and a few businesses that have been well received. Therefore, it was this group at which the college decided to direct its market research. At this point, I need to reinforce the distinction between perceptions and consumption. As many schools have done, the college has made two attempts at what are called institutional goals surveys or mission studies. For all the good feeling they provide to the college by reinforcing that the college is liked or is in-fact meeting someones need, they are not tools for planning. I believe it was one of the Ford's that used this technique to design the Edsel and we all know its fate.

If the guidelines suggested by experts in consumer behavior are assumed to be correct, and I believe they are, then if I wish to design a new program or sell my current program, it would be wise to follow their recommendations. From the stand point of marketing success, consumption, the actual experience with a product, is the most important type of response to consider. Therefore it was decided to target our marketing study at the businesses and focus on current educational practices in these businesses.

I am sure none of this is unique for those of you experienced in marketing research, but as I understand it, the way in which the research was implemented is a bit unusual. We did it for practically no

cost. The graduate students in the MBA program at the University of Minnesota are required to complete a research study for a business during their last quarter in the program. This fulfills the requirement of a "B" paper for these students and is therefore a very important and serious undertaking. Proposals from host organizations are accepted each February and four students are assigned to each accepted project. Where possible, there is an attempt to match a student's area of specialty to project emphasis. Metropolitan was accepted as a host organization and four students were assigned to the project - two with finance specialization, one with a marketing specialization and one with an expertise in MIS.

The process involved in the development of the research design began with a meeting with the students and their advisor. The problem was stated, alternatives for research discussed and expectations outlined. Within one week, the students presented the college with their project outline and began the study in the next week.

The students designed the following study: information was to be gathered in two ways - 1 hour person to person interviews with 30 randomly selected businesses in downtown Minneapolis and St. Paul - a questionaire mailed to an additional 300 businesses. Because the students were students from the University of Minnesota, they were able to conduct the interview and distribute the questionaire with anonymity. This attempted to remove any image biases from the surveys. The interview portion tended to be more qualitative than quantitative. The results were analyzed for content from matrices and a listing of quotable quotes.

The questions on the questionnaire were focused at categories of data rather than quantities. Because of this, certain types of statistical analysis were precluded. The students are currently analyzing data by use

of the "Statistical Package for Social Science."

Their results will be presented formally to the college the first week in June. In addition to the report, the students will present a design for a follow-up study. The students have been competent professionals. They have been able to meet the college's needs and it is anticipated that the results of the study should provide the college with direction for future marketing efforts.

The college provided the students with a project to meet their needs. We were specific and did not attempt to make the study too elaborate or comprehensive. We complied with the student's deadlines, duplicated and mailed the questionnaire. We will type the final report. Otherwise there have been no costs involved. From our perspective, this has been an efficient and effective way to evaluate the potential of expanding our educational programs.

EMPLOYEE EDUCATIONAL OPPORTUNITY SURVEY

Please check the most appropriate single answer in each question unless instructed to do otherwise. Where numbers are requested, estimates may be used.

1. Are any types of company sponsored educational programs furnished for your employees?
   ___yes (please proceed to the next question)
   ___no (please skip to Question 18)

2. Why do you offer these courses? (You may check more than one answer)
   ___part of a labor contract
   ___to provide training to employees to learn skills for which they have had no previous training
   ___to encourage employees to improve their personal and professional skills
   ___other (please specify)

3. What type of educational programs are these?
   ___vocational, strictly job related
   ___general education courses, such as English or mathematics which are not specifically job related
   ___a mixture of the above two: ____% vocational; ____% general
   ___other (please specify)

4. At what educational level are these courses? (please give proportion of each if you check more than one)
   ___high school
   ___college level - undergraduate
   ___post-graduate college level
   ___vocational; not directly associated with any specific educational level

5. Who provides the instruction for these courses? (please give estimated proportion of each if you check more than one)
   ___an instructor from a high school
   ___an instructor from a community college
   ___an instructor from a four-year college
   ___an instructor from within the plant
   ___instructor was an expert in the field, but was not associated with an educational institution
   ___other (please specify)

6. To what level of employees were these courses offered? (you may check more than one)
   ___top management: ____% of total courses
   ___middle management: ____% of total courses
   ___clerical: ____% of total courses
   ___to any employee, no division was made: ____% of total courses
   ___other

   ___no cost was involved

7. If there was a cost associated with this program, who paid?
___the company did
___the person taking the course did
___we split the cost (please specify ratio_____)
___it was paid for by outside funding; who?
___other (please specify)

___no cost was involved

8. Did payment arrangements vary from employee level to level? If so, please explain briefly.

9. Where were these course held?
___in the plant or place of business
___in the educational institution offering the course
___in a meeting place in the community
___other (please specify)

10. At what time were these courses held?
___during employees working hours: ____% of total courses
___weekday evenings: ____% of total courses
___weedends: ____% of total courses
___other(please specify)

11. Of the employees to whom these course were offered, what percentage actually took the courses, in your opinion?
___100%
___75%-99%
___50%-74%
___25%-49%
___less than 25%
___don't know

12. Were any of the employees required to take the courses?
___yes, ____% of them were
___no
___don't know

13. When management was deciding on these courses, was it a factor whether or not the participants would receive college credit for the courses?
___yes
___no
___don't know

14. Was college credit offered with any of the courses?
___yes, ____% of the courses
___no
___don't know

15. What educational level would you say the employees who took the courses had previously attained?
___less than high school; ____% of total employees
___high school graduate; ____% of total employees
___some college; ____% of total employees
___postgraduate degree; ____% of total employees
___don't know

16. How did you inform your employees of these programs? (you may check more than one)
___posters in plant
___announcement by management
___information stuffed in paychecks
___through an in-house newsletter
___no effort was made to inform them
___other (please specify)

17. Will you continue sponsoring educational programs in the future?
___yes
___no
___don't know

18. Why or why not?

19. How many employees are there in your firm?
___1-100
___101-1000
___1001-10000
___over 10000

20. What type of firm is yours?
___manufacturing
___service oriented
___financial
___health oriented
___government
___other (please specify)

21. What employee benefits do you offer? (you may check more than one)
___life insurance
___health insurance
___paid vacation
___paid sick leave
___other (please specify)

What is the name of your firm? (optional)

Additional comments:

APPENDIX 1

GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
UNIVERSITY OF MINNESOTA

AN INVESTIGATION OF THE NEED FOR SUPPLEMENTAL EDUCATION IN THE MARKETPLACE OF METROPOLITAN COMMUNITY COLLEGE

A Plan B Project submitted by Lois Bondeson,
David Brandt, John Reik, and Maureen Thommes
In Partial Fulfillment of the Requirements for the Degree of
Master of Business Administration

Written in Conjunction with OAM 8-159
Spring Quarter 1978, and Submitted to
Professor Carl Adams

Approved:_____

Date: _____

EXECUTIVE SUMMARY

Metropolitan Community College has identified the adult working population of the metropolitan area as a potential and relatively untouched market for their educational services. They have enlisted the services of this OAM team to design and conduct a study of the essential characteristics of this market.

The team has structured the study into three phases which identify the participants of the market and the process required to develop an effective market plan for this market and the process required to develop an effective market plan for this mardet. In Phase I, the education needs and interests as specified by management are described. In Phase II, the educational needs and interests as specified by employees themselves are described. In Phase III, the two views of management and employees are integrated into a marketing plan.

Because of the complexity and multiplicity of phases in this problem, and the time limitations of the team, only Phase I was fully completed. Management interviews and a mailed questionnaire were the data collections methods used in the Phase I study. With the experience and results of the Phase I study as background, the team developed a design for the Phase II study which includes an employee questionnaire and recommendations for its administration and analysis. The elements of the Phase III marketing plan that could be specified from the results of the Phase I management study were also developed.

In brief, these elements of the marketing plan for the education of the adult working population are recommended to MCC:

- Appeal to medium-sized companies with from 250 to 5000 employees.
- Develop credibility in the areas of job-related skills and competency training with an orientation to the business world rather than to the academic world.
- Develop communication channels with business through advisory councils of business representatives, management participation in course planning, course evaluations by management and employees, and employees in individualized career counseling.

Other results and findings that support these recommendations are described in the full report.

METROPOLITAN COMMUNITY COLLEGE

> Metropolitan Community College...is moving into new facilities March 1978. Although the college is the oldest of the State community colleges in the Twin Cities area, it lacks an ordered and projected growth....
>
> The staff of the college requests that the project team design and implement a marketing study that assesses the current educational uses and needs of its educational community. Such a survey should include businesses and community groups as well as current and prospective students. Data from the survey will assist the college in developing new programs and providing services to meet unmet needs.

On March 30, 1978, the University of Minnesota OAM group consisting of Lois Bondeson, David Brandt, John Reik and Maureen Thommes was officially assigned to assist Metropolitan Community College (MCC) in the problem quoted above. Through interaction of the individuals of the OAM group and MCC, the scope of the problem to be addressed and the methodology to be used by the team was narrowed to a manageable level.

A description of the phases of the problem, applied methodologies, data analyses and the results of these analyses, plus recommendations for further action are included in the body of this paper. A copy of the team's proposal is included in Appendix A.

The team has carried out its intended duties and has included the derived data in the body of this paper. This data, in conjunction with the analysis made by the team, should provide MCC with new and hopefully thought-provoking information. This paper is submitted in completion of the OAM 8-159 project assignment in conjunction with MCC.

PROBLEM

MCC exists as one of six metro area community colleges offering the Associate of Arts degree. As evidenced by the request for an OAM team assignment, the management of MCC demonstrates a progressive and responsible attitude toward the role of a community college. Basically, MCC is attempting to look at a market which, until now, has been relatively untouched by MCC. In effect, MCC's concerns are: what is it that people want that they are not getting, exactly who are these people, and how can MCC efficiently function as a broker of these services?

Being a publicly supported institution, MCC feels a strong committment to serve the educational needs of the increasingly large adult working population. MCC's selling points are many and varied. MCC can quickly provide complete educational services by designing, developing and conducting specific courses desired on a flexible time schedule at varied locations. (MCC "rules the computer" regarding flexibility in class scheduling rather than being locked into rigid schedules.) MCC can certify these courses for college credit and assist companies in developing programs of their own. MCC has, in part, already been paid for these services through taxation.

In short, MCC has many strong advantages which could be used to sell its services to the manager and to the employee.

The team considered its assignment to be the rigorous collection of unbiased data from both the employer and employee level in order to determine what the supplemental educational interests of these two groups were and how these interests could best be met. The study was arranged into three phases:

PHASE 1: designed to uncover the interests and needs specified by management (management's priority set)

PHASE 2: designed to uncover the interests and needs specified by employees (the employee's priority set)

PHASE 3: designed to integrate this data into a coordinated marketing plan

Commensurate with the team's timetable, Phase 1 was fully accomplished. For Phase 2, the team has designed and tested a survey instrument which should prove beneficial when used in an organized mailing campaign. Guidelines and tentative recommendations for the accomplishment of Phase 3 are also included in this paper.

METHODOLOGY - PHASE 1

The team was faced with a perplexing problem. There was little background material available regarding the educational interests and needs of management and employees, especially in the Twin Cities area. Further, none of the team members had had extensive exposure to community colleges and, hence, initially felt somewhat unqualified to immediately proceed with the assignment. Thus, we had few preconceptions of how the problem should be attacked or what the results would be.

It was the team's desire to turn what could have been a liability into an asset.

Thus, rather than embarking upon an extensive literature survey at the outset, the team began familiarizing itself with the terminology of the industry. When this was completed, the team began its chosen interview technique -- the depth interview. The team had no preconceived notions of the problem which is an ideal framework upon which to conduct depth interviews. It was reasoned that the logical path was to directly approach the people who the team was interested in and to initiate a free flow of ideas and concepts.

A depth interview is an interviewing technique which allows the interviewer to create an atmosphere conducive to this free flow of ideas. It is designed to uncover basic predispositions, needs, feelings and attitudes on a particular subject -- in this case the needs of industry in the field of education. The

atmosphere created is completely permissive; the interview subject is free to express himself without fear of disapproval, advice or admonition from the interviewer.

Before the individual interviews were begun, all team members attended one pilot interview together. This interview was conducted by one team member, and was meant to eliminate any discrepancies or uncertainties from differing interview styles. Each member then patterned his or her individual interview after this pilot test.

As little guidance as possible was provided by the team member during his or her individual interviews. Each interview was opened with a question such as, "What type of educational programs do you now furnish for your employees, and how do you feel your needs are being met?". From this point, the subject was allowed to speak freely without interruption. Although the interview was unstructured, there was a specific list of information desired by the team. This included such items as the tuition reimbursement program of the firm, the present in-house programs and the importance of college credit, time, space and money. Of course, the perceived interest in programs which MCC could provide was also desired. In all cases, these topics were covered with little, if any, direction by the interviewer.

Most of the personal interviews lasted from 20 to 60 minutes and were prearranged by telephone. The team was grateful for the extreme cooperation received from the interview subjects.

The team used a unbiased selection procedure to define the

sample. The statistical universe was the directory of members of the Twin Cities Personnel Association. Because of time constraints, the team was able to conduct a maximum of 27 interviews. The universe was further constrained by three additional, but necessary, factors: (1) the sample should be taken within the unofficial boundaries of MCC to prevent instrusion into the territories of the other community colleges located in this seven county area, (2) the interviews should be conducted with business, rather than charitable institutions, church groups, etc. and (3) the businesses selected should have more than 100 employees, since it was assumed that these businesses would be better able to support the types of programs offered by MCC. (To a large extent, this third constraint was mitigated through the use of the Twin Cities Personnel Association membership, as the members of this organization generally represent larger companies.)

There were approximately 300 names in the directory. Thus, the selection of every tenth name would yield a sample size of 30. The team chose a random number of 3 as a starting point, and counted off every tenth name. If the company selected in this manner did not meet all of the constraints mentioned above, the next name down on the list was chosen until a proper company was found. The sampling procedure, therefore, resulted in a stratified sample with subjects chosen without bias within the stratum.

The analysis of the personal interviews was conducted using the marketing research technique of content analysis. This basically entails the categorical listing of all possible data

obtained through the interview process and the observation of patterns or lack of patterns from the data. The listing of this very subjective data was facilitated by the creation and implementation of interview summary forms, an example of which is shown in Appendix B. For further explanation of content analysis, see the article by Kassarijan in Appendix C.

It was felt necessary to collect as much quantitative data as possible from Twin Cities area companies in order to strengthen and give focus to the team's personal interviews. However, it was agreed that the collection of this data during the personal interviews would severely limit the scope, flexibility and design of these interviews. Further, it was felt that a broader statistical base than 27 companies was needed for this background data.

Therefore, the team developed a factual questionnaire which is contained in Appendix D. This questionnaire was designed to uncover the number of companies currently providing educational programs to their employees, why they provide these programs, if they will continue these programs in the future and how the companies handled the time, space, and cost aspects of the program. Questions were also included to provide demographic data, to determine how the companies informed their employees of programs, how the employees responded and so on. Overall, the purpose of the questionnaire was to describe those companies that had educational programs, to describe the programs themselves and to try to uncover any relationships that might indicate what type of company would be likely to be receptive to MCC.

The population sample for the questionnaire also had to meet the constraints listed for the personal interviews (sample within the unofficial boundaries of MCC, sample of profit business rather than charities, etc. and sample of businesses of more than 100 employees). In addition, it was felt necessary to expand the statistical universe to achieve a greater cross-section of responses. Therefore, the team chose as the sources for questionnaire mailings the 1977 edition of the Minnesota Directory of Manufacturers and the 1978 Corporate Fact Book. Two hundred ninety companies were selected from these sources, and each company was mailed a questionnaire directed to the attention of the personnel director. The attached cover letter directed the personnel director to forward the questionnaire to the appropriate person if different from the personnel director. Enclosed with these questionnaires and cover letters was a business reply envelope to encourage responses. Twelve of the envelopes mailed to the companies were returned by the post office because of a change of address or because the company was no longer in business. Of the remaining 278, 84 were returned useable.

The data was transferred from the returned questionnaires onto a coding sheet using the format shown in Appendix E. The team constructed the questionnaire to contain two separate types of data. The first type was simply the answer marked by the respondent for each question. The second type was the proportion estimates given by the respondent when appropriate. For example, of the educational programs offered, it was asked

that they indicate the proportion that was at the high school, vocational, college or graduate level. By coding both of these types of data into the data field, the team could obtain not only frequency counts for the responses, but also numerical proportions where appropriate.

The team attempted to apply regression analysis to the percent variables, but found numerous difficulties which prevented this from being a valid regression study. The team was unable to find a meaningful dependent variable. Program existence would have been a logical choice for the dependent variable, but this variable turned out to be constant for the data sets for which we had percent variable values. Further, the fact that only 20 data sets out of the total of 84 responses had percent variable values also made the application of regression analysis less valuable. The alternative of using dummy variable codes for the nominal variables was also rejected since the same difficulty of having a constant response for "program existence" was also present here. On further consideration of the matter, it was decided that the other common descriptive statistics did provide a sufficient and meaningful interpretation of the questionnaire results, therefore regression analysis was not used.

For the actual analysis of the questionnaire data, the computer oriented Statistical Package for the Social Sciences (SPSS) was used. Because the questionnaire data was generally nominal, the team was able to use frequency counts and cross-tabs with chi-square sensitivity analysis. The basic elements

of the SPSS package and an overview of the specific techniques utilized by the team are given in Appendix F. The results of this questionnaire analysis, along with the personal interview analysis results, will be given in the section entitled "Results - Phase 1."

There were obviously certain limitations which the team faced and which impacted upon the results of Phase 1. Tight time constraints forced the team to exclude certain items from its study and limit the sample size for personal interviews to 27. However, the nonparametric type of data manipulations performed on the interview data should not be affected by the sample size to a great extent.

In addition, other more specific limitations impacted upon both the personal interviews and the questionnaire surveys:

Personal Interviews - There was the possibility that the personal interviews would be biased by differing interview styles of the individual team members. It was felt that important points could be missed during the interviews which would go unnoticed by the interviewer. It was felt that the interviewer could form snap decisions on the interpretations of the interviewees comments, and thus color the interview analysis. It was felt that the interviewer could be evasive and try to hide, either consciously or unconsciously, certain key items which could be of importance to the study.

The team developed certain procedures designed to mitigate

the impact of these limitations upon the results of the personal interviews. All team members attended a pilot interview conducted by one member. After the interview, the techniques used, the questions answered and the effectiveness of the process were discussed by the team members. Thus, a serious attempt was made to make the interview style of team members consistent. Whenever possible, the personal interviews were taped allowing the team member to replay and explore the data obtained in more depth. In addition, all personal interviews were summarized on a personal interview summary form. It was hoped that this procedure would decrease the likelihood of a team member missing important points as well as decrease the likelihood that the team member would make snap decisions on the interpretation of the interviewees' comments. Finally, an attempt was made to conduct all personal interviews on a person-to-person basis. It was felt that this would minimize the possibility that the interviewee would attempt to evade questions or give vague statements. An outline, included in Appendix G, was also developed in order to help the team member ascertain how much and what type of data was being delivered.

Questionnaire - The team felt it was possible that the non-respondents had significantly different characteristics from the respondents, thus biasing the questionnaire results. It was also felt that the wording of the questionnaire could prove confusing to the respondent and result in unclear questions and answers. The team was also concerned that the results obtained from a questionnaire sample would not be indicative of the true population characteristics.

In response to these concerns, the team developed certain arguments and procedures. These were designed to allay the team's concerns in these areas and to provide a credible framework for the actual construction and implementation of the questionnaire.

With regard to the nonrespondents, the team isolated what it considered to be the two most probable reasons for not receiving a questionnaire: (1) it was much easier for a person whose company had no educational programs to fill out the questionnaire (thus biasing the results to show a higher percent without educational programs than in fact exists) or (2) so little data was requested of those companies with no educational programs that they may have felt it more trouble than it was worth to fill out the questionnaire (thus biasing the results to show a lower percent without educational programs than in fact exists). With this reasoning in mind, the team concluded that the results rejected any reasonable doubt of data biasing. The high response rate of companies with educational programs tends to refute the first argument. Further, the second argument, while possibly valid, has little bearing upon the study, as the team has primarily focused on those companies evincing an interest in educational programs regardless of whether or not the company have existing programs. The results of the study cannot be generalized to the population as a whole, but rather can only be generalized to the firms which have educational programs. Thus, the team attempted to deal with the very important issue of data biasing.

The team pretested the questionnaire to eliminate problems

with ambiguous wording or unclear questions, conferred with the host organization regarding appropriate wording and phraseology and included a space on the questionnaire itself for comments from the respondent. There were no comments on the returned questionnaires indicating that wording was a problem. Further, responses seemed to be consistent and clear, indicating an acceptance and understanding of the questionnaire's wording. Regarding the applicability of sample characteristics to the population as a whole, the sample size of 290 was considered a large enough percentage of Twin Cities area businesses that the effects of sample variance would be small.

In summary, then, the team believes it is reasonable to say that the limitations which impacted upon the group's work were handled in such a way as to lessen dramatically their impact upon the results of the study. However, care should be taken when attempting to generalize the team's observations discerned from the sample to the population. The observations discerned are a combination of what exists today and what employers would like to see exist. The study most accurately delineates the characteristics of the potential MCC market, rather than the potential size of the market.

RESULTS - PHASE 1

Personal Interviews

The personal interviews which the team conducted proved to be quite helpful in many ways. The responses were more immediate and, in a sense, more reliable than the responses from the broader questionnaire base. The collection of completed interview summaries is included in Appendix H. The personal interviews allowed the team to uncover the motivations behind the employers' support or lack of support for educational programs. Further, the data and the more nebulous employer motivations ascertained from the personal interviews helped the team to shape the questionnaire into the most useful and reliable form possible given the team's operating constraints discussed earlier.

As was stated, the personal interviews proved most informative, and the team derived a large amount of data from them. There follows a summary of the most important and noteworthy observations discovered by the team during these interviews. Appendix J contains content analysis derived from the interviews.

Result: The companies most interested in acquiring the services and expertise of outside educational consultants or partners such as MCC seem to be the companies with approximately 250 to 5000 employees (classed as medium-sized in the team's analysis). Companies larger than this tend to be less limited by space availability and cost. (70% of the firms interviewed have sufficient space accomodations for their training and edu-

cational needs. Of the remaining 30%, 87.5% are less than 2500 employees, medium-sized firms). These larger companies feel that in-house programs conducted by company personnel are cost effective, easier to set up logistically and more comprehensive in conveying company oriented methods. Moreover, these companies feel that the teaching experience is beneficial to the in-house instructor. Only one firm interviewed had no in-house training and educational programs. Of the remaining 26, 9 had highly developed programs (1599 to 16000 employee size), 6 had moderately developed programs (220 to 14,500 employee size) and 11 had in-house programs with only scattered offerings (200 to 3500 employee size). Further, 72% of those companies above 2500 in size had either moderately or highly developed in-house programs.

Companies smaller than 200 feel the use of outside consultants is too costly for their level of demand and feel that the space requirement could not be adequately met. The medium-sized companies strike a good balance for services such as MCC's. Sixty-nine percent feel the space available is adequate, and 76% have only scattered or moderately developed in-house educational programs. Further justification for citing the medium-sized company as the best potential market will be seen in the following results. It should be noted that certain specific factors might affect this generalized statement. Factors which the team isolated as biasing this general statement were:

Companies in highly technical areas which require specific programs regardless of size.

Companies with top management uninterested in or apathetic toward educational programs.

> Companies uninterested in increasing employee skills for fear of increasing employee dissatisfaction with his current position.

Result: There seems to be a general realization on the part of upper management that education is increasingly important. One-hundred percent of all companies interviewed have some type of tuition reimbursement policy, 97% have some current in-house programs and 97% utilize some type of seminars. As one company stated:

> There is a difference in this company and perhaps others in the management's view of the educational invironment and the corporate view of educational goals. In our company the corporate philosophy is that training is very, very essential and we are approaching more of a continual training -- education as a continual activity -- rather than management's approach which views training in relation to special projects or certain periods of the year. Yet our implementation allows for a very decentralized approach in which 80% of all training is in management training departments and only 20% from corporate training programs.

The team has isolated what it feels could be major forces behind upper management's current stance. These forces are: a possible increase in employee demand (this to be ascertained in Phase 2), a possible management perception of increased productivity with increased education, a possible management attitude change regarding social responsibility and a possible impact of affirmative action on education availability. The team also isolated exceptions to this general statement. Certain industries, such as the medical industry, are constrained by such elements as cost and industry standards, and as such lose

much of their autonomy regarding educational program offerings. Further, some companies suffer from management indifference regarding educational programs, and as such lack the leadership and support necessary for well developed educational benefits.

Results: Management seems to have relatively specific manpower needs and projections, and as such is much more interested in supporting more technical, job related education. Seventy-four percent of all companies interviewed have 100% tuition reimbursement for job related courses, and 100% of the companies have at least 50% reimbursement for job related courses. A general practice is to reimburse 0% for non job-related course work, with non job-related areas being defined to include such areas as English and philosophy. However, courses such as business writing and speech do seem to generally qualify for job related reimbursement. This result seems to agree strongly with previous education studies[1] which show that employers are more willing to pay for specific education rather than general education on the grounds that (1) the general education would increase the employees marketability and hence create more employment movement within and from the funding company, and (2) that increased specific education (i.e. job related) creates a locking-in effect for the employee, making him less qualified for other companies' methods and procedures and hence more willing to stay with the funding company. Another

---

[1]Cohn, Elchanan, The Economics of Education. Lexington Books, Mass., 1972.

quite strong sentiment was summarized by the personnel director of a major medical institution:

> In the future we will have to justify education by visible skills -- not morale, etc. As organizations look more at accountability, the question "what the hell are you spending education dollars on" will have to be answered clearly.

Thus, this statement summarizes a prevalent attitude that the last dollar invested (marginal cost) should produce $1 or more of return (marginal benefits). General education courses have not, in many cases, shown management this return.

However, the team did find exceptions to this general statement. Some companies will fund non job-related core courses if the employee is working on a job related degree. Some companies will fund work on a company related, rather than merely job related, course. Further, some companies will sponsor general education even though the benefits are not quantifiable, quoting as justification such things as increased morale or employee self-worth.

> Education makes the employee feel he is a special person, and many times the employees send Thank-You notes to Personnel after a program. Productivity definitely increases.

Result: There is a strong tendency for management to react with indifference to any type of college credit for these programs. Some, in fact, actively oppose such credit. Ninety-one percent of all companies interviewed regard college credit as an unimportant or undesirable factor in program selection. The companies are much more interested in skill and competency

as returns than they are in increasing the employee's potential marketability and in going through the accreditation procedures necessary for college credit. Of the 9% desiring credit, the reasons most often given were that credit equals good employee incentive and that management actively desires that the courses be accredited for reasons of their own.

Result: Instructors should preferably be company employees or, at the very least, have industry experience. Eighty-one percent of all companies interviewed preferred in-house instructors over outside sources. As second choice, companies generally preferred professional consultants over four- and two-year college instructors. Of the seven firms ranking college instructors as second choice, four indicated cost as an important or moderately important factor. Feelings such as, academics are too distant from the "real world", academics cannot handle company-based problems and academics are too lecture oriented, were commonly expressed to the team. Some companies recognized the benefits to the company employee as an instructor in a particular area. Finally, some companies had had dealings with problem areas where there was little or no academic background or research, and were unable to secure proper consultants.

The team also uncovered exceptions to this general statement. In some cases, the companies enjoyed the increase in company status from bringing in an outsider for his "expert" appeal and corresponding credibility. In other cases it was

felt that the use of a non-employee actually increased employee motivation because the employee felt he was "someone special" and was "getting the best".

Result: Cost is not an overly important decision criterion for program selection. Seventy-seven percent of the companies interviewed indicated that cost was not a strong factor for selection. Rather, such factors as the effectiveness of the program were of more importance. For tuition reimbursement purposes, virtually 100% stated that the employee was allowed to take the approved course at whatever institution he desired without having to take the "best deal".

Result: The flexibility of the education consulting group in scheduling classes and the ability of the group to respond quickly to management needs was of little importance. Fifty-five percent of the firms did not require high flexibility in scheduling programs. The 38% considering flexibility important cited the ability to schedule classes after working hours as the controlling factor.

An important point uncovered by the team in this area is the attitude of management toward this flexibility. While management claims that flexibility is unimportant, the unavailability of this flexibility is rarely considered. In other words, virtually all management believes that a desired program will be available at the desired time. The thought that it will not be so available is not considered. The team believes this attitude of taking flexibility for granted arises out of

the competitive atmosphere in this area. Management is constantly bombarded with flyers, brochures and so on announcing many new programs and ideas at convenient times. The very fact that for-profit private consulting firms can exist in this market points to high marketing pressures from vendors of educational consulting services. Thus, the ability to respond quickly and effectively to management's time demands is not so much an affirmative selling point as it is a defensive hedge against competition. To compete, it would seem that a vendor of educational consulting services must be willing to be flexible.

Questionnaire

The main purpose of the questionnaire was to provide a factual and statistical backing for the personal interviews. The team also wanted to determine how many of the companies sampled had educational programs, what types of programs these were, and if these companies had any special identifying characteristics.

Eighty-seven percent of the respondents had some type of educational program. Applying this sample characteristic to the population as a whole may be misleading when attempting to estimate the size of the potential market. The firms that had courses spanned the entire range of firms selected -- from manufacturing to service. A chi-square analysis indicated there was no relationship between the type of firm and the existence of educational programs. In other words, by knowing

the type of firm, one cannot tell if it has an educational program. (See Appendix K.) In fact, no relationship was found between any company demographics and the existence of an educational program.

There also were a broad range of programs offered. Forty-six percent of the courses offered through the company programs were of a vocational type (i.e. directly job related). (See Appendix K.) Of the remaining 54%, 51% were a mixture of subject offerings. This mixture averaged 19% vocational courses, and 10% general education courses. No firms offered only general education courses. The reasons most often given for having some type of educational program were to improve employee skills and to provide them with additional job skills training. This reinforces the point that companies do not want to provide general education courses.

The team found interesting results regarding who the firms prefer to have teach these courses. (See Appendix K.) A vast majority of the firms reported using community college and four year college instructors to teach college level courses. This may seem contradictory to the team's earlier findings which showed that firms prefer in-house instructors or professional consultants. This becomes clear, however, when one remembers that this survey included tuition reimbursement programs. Thus, many of the firms that reported using these instructors were actually only using them through the educational institution from which the employees took courses.

For courses taught at the high school level the firms did not desire high school instructors. Companies with over 100 employees use expert instructors (consultants) more than those firms with under 100. There are two major reasons for this. First, firms with under 100 employees can not afford the cost of consultants. Second, these firms can not generate classes large enough to justify the use of a consultant. This reinforces the team's earlier point that firms of under 100 employees do not constitute a good potential market for MCC. Large companies tend to use in-house instructors more than small companies. The main reason for this is that only large companies have the actual in-house expertise needed to teach a great deal of courses. This further reinforces the team's assessment that large companies do not constitute a good potential market.

College credit was not an important factor in deciding upon which courses to offer. Only 10% of the firms surveyed considered it at all, and in many cases this consideration revolved around tuition reimbursement. (See Appendix K.) The firms wanted to make sure that the college chosen by the employee can in fact offer college credit. These courses were most often offered to middle and supervisory management. (See Appendix K.) This is evident if one looks at the list of suggested courses that arose from the personal interviews, listed in Appendix L.

The most important item learned from the questionnaire that was not brought out in the personal interviews was how the

companies inform their employees of their educational benefits. Most often, this was done by management announcement (see Appendix K). This reinforces the team's point that MCC should contact management about MCC course offerings. Other forms of information vehicles used by management are shown in the table referenced above.

Other statistical results are shown in Appendix K. These are frequency counts of the questions on the survey, and are self-explanatory. They are included in this paper for informational purposes, and for any further analyses that MCC may wish to make.

Summary

The data derived from the personal interviews and the questionnaires seemed quite consistent. Certain results stood out quite clearly in the personal interviews conducted by the team. These are:

- The companies most attractive to MCC would seem to be the medium-sized companies, from 250 to 5000 employees.
- Management generally seems to realize that education is becoming an increasingly important factor in today's business environment.
- Management seems to have specific manpower needs and projections and, as such, is more interested in specific, job-related education as opposed to general education.
- There is a very strong tendency to be indifferent to college credit for in-house educational programs.
- Management tends to prefer using company employees as instructors for in-house programs.

- Cost is considered less of a factor than program effectiveness when management selects in-house programs.
- Flexibility in program scheduling is assumed available by management when programs are being considered.

Certain results were also apparent from the analysis of the questionnaire data, and to a large extent these clearly conformed to those seen in the personal interviews. In summary, these were:

- Only 10% of the respondents indicated that college credit was a factor when choosing an educational program (Appendix K).
- 70% of the companies surveyed paid 100% of tuition reimbursement.
- 70% of all respondents used vocational education.
- 39% of all offerings were vocational, 44% of all offerings were a mixture of vocational and general education, 0% were strictly general.
- 77% of the respondents said the programs were to improve employee skills, 60% were to train employees for a job where they had no previous skills, 7% were due to labor contracts.
- 87% had educational courses (anything).
- 13% of all courses were at the high school level.
- 92% were going to continue their programs.
- Courses taught at the high school level are not usually taught by high school teachers, indicating a preference for higher level teachers.
- If community meeting places or in-house facilities were used, the course was usually held during working hours.
- If the course was held at local educational institutions, the course was usually held during week nights.

- If the course was held in-house, the course was most often offered during working hours.
- Companies with over 100 employees generally use expert instructors (consultants); those under 100 do not usually use them.
- Knowing the type of firm does not tell if they have in-house educational programs.
- Knowing the type of firm does not tell if community college instructors were preferred over 4-year college instructors.
- The level of employees participating the most in training and educational programs was middle management, including supervisors; the second most active level was classified as "any employee in any division".
- College credit was only offered for 16% of all courses.
- Employees participating in training and educational programs generally have some college background or are high school graduates.

The questionnaires were considered necessary confirmation of the narrower based personal interview data. The data and results presented from the personal interviews and the questionnaire analysis represent characteristics of the sample and, therefore, the population of firms with educational programs.

METHODOLOGY - PHASE 2

To aid in the completion of Phase 2, the team has constructed a questionnaire for use by MCC. The details of this questionnaire are contained in Appendix M. The team feels that the development of an accompanying cover letter is best left to MCC. This can be accomplished when MCC more explicitly defines the group it intends to survey. The questionnaire itself is composed of three main sections: the awareness section, the attitude section and the demographic section. A complete description of these sections follows:

Awareness Section: This section is intended to uncover how aware the employee is of employer-provided educational benefits, as well as their opinions of the value of these benefits. The section is useful in many ways. If employees are aware of programs (questions 1 and 2), but are not using them (question 4), the efforts of MCC can be directed to finding the reasons for this lack of interest. If the employees are using the programs, question 3 is designed to show the degree of free choice present. Question 2 will tell MCC if employees are aware of how they may obtain these educational benefits. If they are not, then the efforts of MCC must be directed toward making the employee more aware and the management more responsive to the employee's needs. Question 5 is basically an information gathering question. It will tell MCC how the employee feels about his level of involvement in the choice of educational

benefits. It would seem logical that the more influence an employee feels, the more the employee will desire to utilize these benefits, if for no other reason than that the employee will tend to pick those courses most interesting to him. Thus, if MCC can make the employees feel more involved in course selection, the response rate should be higher, making the program more successful for MCC. Question 6 will prove helpful in promotional decisions made by MCC. This question is designed to tell MCC what employees value in continuing education. This material can be used in deciding how to promote future MCC course offerings.

Attitude Section: (Questions 7 through 14) This section makes use of nine 5-point scales in an attempt to uncover employee attitudes toward different facets of education. This section will be especially useful if used in a regression model. A regression model will indicate what factors have the most influence on the employee's decision to enroll in a continuing education course.

Question 7 relates to the location of space, question 8 relates to the relevance of college credit in the decision process, question 9 relates to the importance of the prestige of the institution, question 10 to the importance of the course being directly applicable to their job, questions 11 and 13 to the cost of the course and question 12 to the time the course is offered. Question 14 is the dependent variable, or employee interest in continuing education.

Demographic Section: (Questions 15 through 19) This section will not only give MCC an overview of its prospective sample, but also, in conjunction with question 4 and 14, can be used to uncover relationships that might exist between demographics and interest in use of supplemental education.

The team has pretested the entire questionnaire in an effort to uncover problems with the working or length of the instrument. The questionnaire represents the culmination of the pretesting and is considered to be a problem-free as possible under the present circumstances.

As stated earlier, the questionnaire is designed to be given to employees. The sample selection should be of a random nature to legitimize any statistical methods that might be used. However, the constraints delineated in connection with Phase 1 are also applicable here. The employee's firm should have over 250 employees. The team's studies indicate that firms of over 5000 employees may not be a good market. Thus, MCC might consider not administering the questionnaire to employees of these large firms. Further, MCC might wish to remain within the unofficial geographical boundaries, as was stated in Methodology - Phase 1.

The team recommends that MCC administer this questionnaire with the knowledge and consent of management. This would eliminate any misunderstandings that might arise. The management must approve of MCC's solicitation of its employees. The cover letter should disclaim any connection between the survey and

management. This will avoid any employee misunderstandings of management's position regarding the promise of further educational benefits.

Recommended Analysis: Once the completed survey is returned, it would best be coded using the format shown in Appendix N. The team recommends several different analyses. Simple frequency counts on questions 1 through 6 will indicate the employee's degree of awareness. For all practical purposes, responses 1 through 6 on question 1 can be considered one response, and response 7 another for awareness purposes. What is important is whether or not employees know if they have any educational benefits available to them. What they are actually offered is not of overwhelming importance. Likewise, in question 2, it is not important who they actually contact, but rather, if they know who to contact.

By crosstabbing questions 1 and 4, MCC will be able to see the number of employees who are aware of benefits and are not using them. Running a chi-square analysis on this table will indicate if there is a statistical relationship between employees who are aware of the benefits and those who actually use the benefits. If there is not, this would indicate a lack of interest for some reason.

Another crosstab of questions 4 and 6 would indicate the reasons that employees who take the courses give for actually taking the courses. By eliminating those employees in these questions who say they were required to take the course, MCC

will derive a better understanding of why employees take a particular course. The opinions of employees who are required to take the courses are not totally irrelevant, and should not be fully discounted for the demand is still present, only the driving force behind the demand has changed.

One of the more useful analyses that can be made is on questions 7 through 14. A regression model, using question 14 as the variable to be explained and the others as predictor variables of question 14, will show the relative importance of each of these factors.

A frequency count of questions 15 through 19 will give MCC a composite picture of its sample, which can be generalized to the universe. These questions can be crosstabbed with questions 4 and 6 and a chi-square test run to see if there is any relationship between demographics and interest or reasons for using supplemental education. If there are relationships, then MCC can promote its educational programs to specific markets.

Limitations

The major limitations of this study will be what is commonly referred to as a "halo effect". With this, the respondent gives an answer because he thinks it will make him look good, (as perhaps a person interested in education). In other words, the respondent gives the socially acceptable answer. This may be a problem particularly in questions 4 and 6. The team has tried to compensate for this effect by asking the respondents specific questions about their employee benefits,

such as the benefit's exact description and who the employee contacts. This, accompanied by the many attitude statements, may discourage an employee from giving a socially acceptable but incorrect answer. Nevertheless, MCC should look for possible contradictions in statements when analyzing the questionnaire.

No matter how careful, it would be impossible to completely overcome this halo effect. Thus MCC should realize that the results may be somewhat inflated. Therefore, question 14 should not be used as the sole potential market size estimator.

There would be no reason to expect the nonrespondents to be different than the respondents. Further, since this is a mail survey, no interviewer bias should be present. There are no other foreseeable limitations.

PHASE 3

The intent of Phase 3 is to integrate the data derived from Phases 1 and 2 into a coordinated marketing plan. As has been stated earlier, the constraints under which the team operated prevented a completion of the project through this phase. However, the team feels it necessary and appropriate to include a brief framework for the construction and implementation of the third phase. Of course, these recommendations are based on the personal interview and questionnaire results, as well as other information collected by the team in the course of this project and are contingent upon the results of Phase 2. These recommendations should be modified if the results of Phase 2 so dictate.

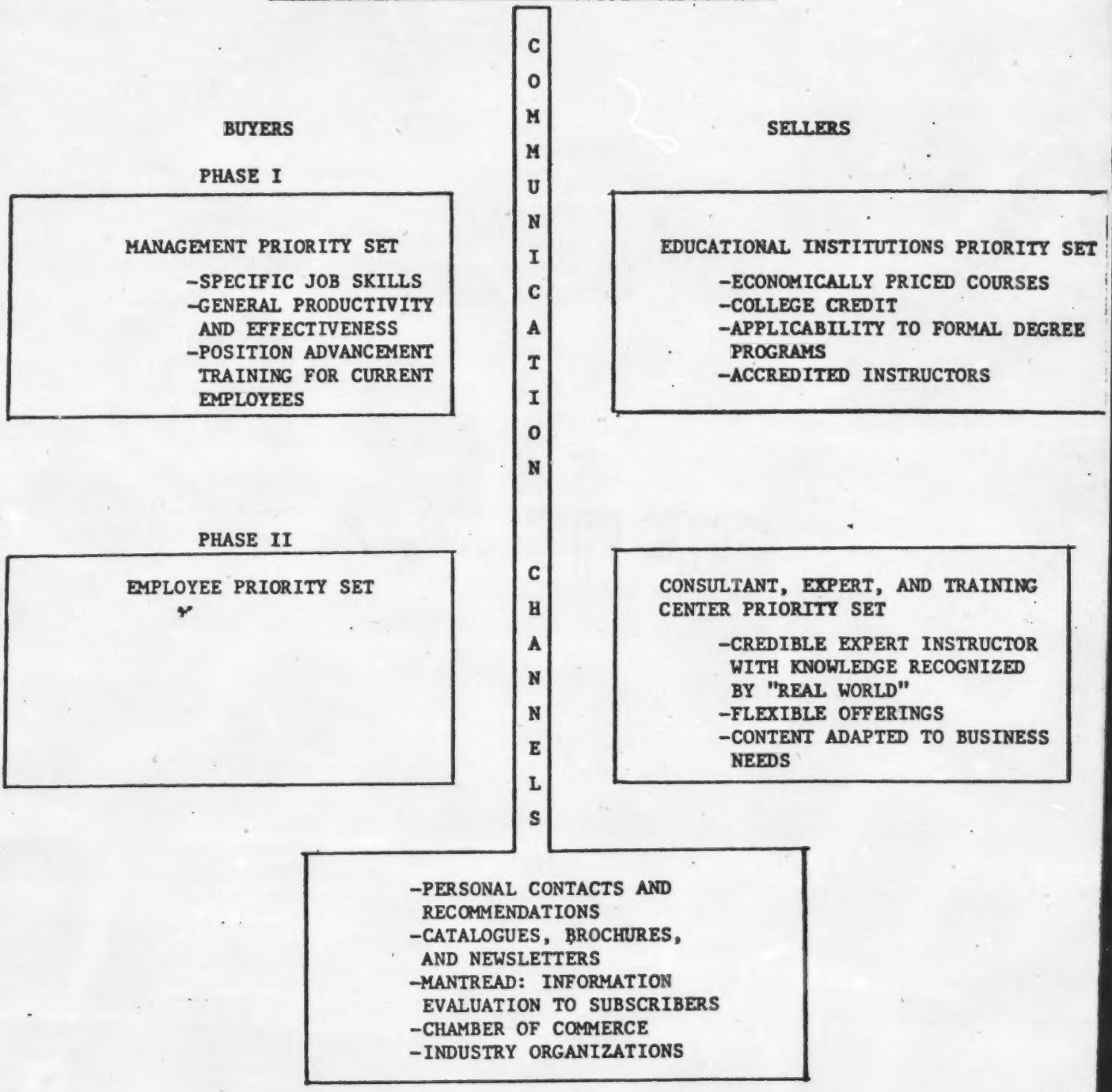
Needs Assessment

MCC must clearly define the needs of the employee through the implementation of Phase 2. The scope of this paper is an indication of the level of analysis needed for this task. After this has been done, the needs and priority sets of both the employer and employee must be combined to achieve the overall picture of MCC's task. Conceptually, the resulting framework could look something like Figure 1.

The recognition and comparison of these different priorities from different groups is imperative for the successful completion of product target market definition.

FIGURE 1

EDUCATIONAL, TRAINING AND DEVELOPMENT ARENA



Product Definition

MCC must define its product -- what it wishes to sell. This definition will be dependent upon the results of Phase 2 and the needs assessment area of Phase 3. Therefore, specific guidance cannot be given in product definition. However, certain general statements can be made at this time. MCC must be more precise than a "broker of consulting services" in product definition. Management seems to be very interested in the "bottom line". While people skills (general education) are beneficial, it seems at this time doubtful that MCC's product should be stated in such terms. At this time management does not seem to feel responsible for providing general education. (For the particular courses desired by management, see Appendix L.) Further, the product defined by MCC must be distinguishable from other offerings by other organizations.

Market Definition

While it seems appropriate that MCC aim at the supplemental associate-level educational needs of the adult working population, it should be noted that Phase 1 of this study has disclosed what could be a potential market in high school level instruction. Whatever the market defined by MCC, its definition should be clear-cut and easily delineated in order to facilitate product marketing.

Competition Assessment

It must be realized that MCC is not the sole organization capable of meeting these perceived needs. (See Appendix P for

article from Business Week.) The very fact that management seems unconcerned with program availability is indicative of the competitive climate. There are in existence today both profit and not-for-profit organizations capable of competing with MCC. Furthermore, there are organizations in existence whose sole function is the matching of these needed services to those capable of providing appropriate programs. ManTread, for example, has a subscriber base of 120 firms across the United States (25 in Minneapolis). The Employer Association of Greater Minneapolis serves about 750 local firms. For a brief profile of these organizations see Appendix Q. Clearly, MCC must take an aggressive, yet realistic, position regarding this competition. MCC must define its product in order to attain a competitive advantage in the marketplace.

Product Market

Once again, the details of this area are too dependent upon Phase 2 and early areas of Phase 3 to permit detailed analysis at this time. However, general marketing strategies are evident as of the completion of Phase 1. The following general observations and recommendations are made based on the results of interviews and questionnaire findings, as well as other information and observations documented in this paper:

- The credibility of MCC's education product can be enhanced through emphasis on: (1) an instruction style that includes theory, but develops practical application clearly related to the participants' work situation, (2) use of instructors that have experience in the business world and/or effectively relate theory to "real world" situations in

business, and (3) course content and objectives that emphasize job-performance types of competencies.

- Since the middle management levels, supervisors, and, to a lesser degree, top management, make the decisions about education and training needs, communication and marketing of the course offerings to these levels of management should be emphasized.

- Flexibility and adaptability to the specific content interests of a company's management and their needs should be emphasized when planning courses (management wants to be involved in planning content of courses offered to their employees!).

- Use of ManTread, a non-profit information center and evaluation program for business training, education and development needs, could provide a useful means of making MCC's programs known to the Minneapolis-St. Paul subscribers to this service. (There is no charge for being on ManTread's training services list, and this would reach about 25 local firms.)

- Study of the possible ways of offering career planning counseling to employees at various levels should be done (firms do some career counseling for their employees, but this is often limited to the "fast-track" executives).

- Develop an advisory council of representative businesses in the local area to suggest and recommend employee training needs.

All of the above recommendations should be followed if MCC is to develop a competitive advantage.

Impact Assessment

Perhaps the most critical area for long-term viability is impact assessment. Here, MCC must determine how its programs are perceived by the customer and by the competition. For the first, a survey sheet to be filled out by the employees after

taking an MCC course and a survey sheet to be filled out by management of the particular company should be utilized. Comments noted during Phase 1 support this. Some companies evinced a strong disapproval for any educational institution that would conduct a program and yet make no effort to receive feedback from the funding participants. Indeed, common sense would seem to dictate that such an effort be made. The reactions of competitive organizations can best be gauged by their market penetration and their list of course offerings. Hopefully, as MCC achieves greater stability in this market, the actions of competitors can be monitored more efficiently. In fact,as MCC offers more quality programs to more satisfied customers, MCC may find these customers willing to alert MCC to competitive actions, thus maintaining MCC as a known and appreciated collaborator and expanding MCC's potential services for the firm. This feedback concept is quite important and will help MCC fine-tune its entire stance in the marketplace.

UNIVERSITY OF CALIF.
LOS ANGELES

SEP 1 1978

CLEARINGHOUSE FOR
JUNIOR COLLEGES